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December 1, 1998

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Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

RECEIVED

DEC - 1 1998

Re: CC Docket No. 94-129  
Ex Parte Meeting

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Dear Ms. Salas:

On November 30, 1998, Thomas J. Moorman and the undersigned met with Kyle Dixon, Legal Advisor to Commissioner Powell, to discuss the proposed "slamming" rules under consideration in CC Docket No. 94-129. This firm represents several independent rural local exchange carriers ("rural LECs") which have instituted a practice of verifying requests from interexchange carriers to make changes to the assignment of a subscriber's presubscribed interexchange carrier ("PIC"). The following is a summary of the discussion. A copy of the handout provided is attached.

The rural LECs adopted their verification practices as a result of the large number of subscriber complaints of unauthorized PIC changes of their subscribers, which caused substantial inconvenience to the subscribers and harm to the reputation of the rural LEC. Many of the rural LECs find that 40-50% of the subscribers contacted say they do not want their PIC changed. The rural LECs request that the Commission adopt the modifications to the proposed rules set forth in the attachment which would allow the verification to continue.

The rural LECs recognize that the rules must require that all verification be done in a way that is competitively neutral and does not cause undue delay. There should be no marketing of any service. To the extent there is a conflict between the interests of the consumer in protection from slamming and the interests of the interexchange carrier, the Commission should follow the suggestion of Senator McCain in his October 30, 1998 letter to Chairman Kennard in which he said: "These rules should make sure that consumers' rights are given precedence over the narrow competitive interests of those companies whose unethical or careless business practices result in slamming." Verification of PIC changes is also consistent with the Commission's statement in this proceeding on June 14, 1995 that: "We encourage entities such as LECs to take additional steps that might help reduce slamming in their service areas."

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If there are any questions regarding this matter, please contact me at the number listed above.

Sincerely

A handwritten signature in black ink, appearing to read 'David Cosson', written in a cursive style.

David Cosson

Attachment  
cc: Kyle Dixon

### PIC Change Verification by Rural LECs

1. Several LECs have instituted a PIC change verification process. This process is performed in a prompt and competitively neutral manner and has minimized the volume of subscriber complaints regarding unauthorized PIC changes ("slamming").
2. These slamming complaints adversely impact the excellent relations that LECs have with their subscribers and require a substantial amount of time and resources to resolve.
3. Verification protects consumers from unauthorized PIC changes which occur in spite of a submitting carrier's purported compliance with the existing FCC Rules.
4. Verification is more effective and efficient than having to change back subscriber's PICs, refund the PIC change charge, and bill and collect the unauthorized PIC charge from the IXC.
5. The proposed FCC Rules should be revised to include the following language:

#### § 64.1160 Changes in Subscriber Carrier Selection

(a) Prohibition. No telecommunications carrier shall.... Nothing in this section shall preclude any State commission from enforcing these procedures with respect to intrastate services or preclude an executing carrier from verifying the subscriber's authorization for the change request in a prompt and competitively neutral manner.

....

(2) Where the submitting carrier has complied with § 64.1160(a) but the executing carrier executes the change inconsistent with the subscriber carrier change selection, the executing carrier will be solely liable for violating § 64.1160(a); provided that an executing carrier is not liable and need not execute the change where it determines, in accordance with § 64.1160(a) that the change was not authorized by the subscriber.